

COUNTY OF CHESTERFIELD, VIRGINIA

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

(1) Summary of Auditors' Results

- (a) The type of report issued on the financial statements: **unqualified opinion**
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: **none noted**
- (c) Material weakness in internal control was disclosed by the audit of the financial statements: **none**
- (d) Noncompliance which is material to the financial statements: **none noted**
- (e) Reportable conditions in internal control over major programs: **yes, findings 03-1 and 03-3**
- (f) Material weakness in internal control over major programs: **none noted**
- (g) The type of report issued on compliance for major programs: **unqualified opinion**
- (h) Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **yes**
- (i) Major programs: **Title I (CFDA Number 84.010), Improving Teacher Quality Grant (CFDA Number 84.367), Community Development Block Grant - Entitlement Grants (CFDA Number 14.218), State Administrative Matching Grants for Food Stamp Program (CFDA Number 10.561), Foster Care (CFDA Number 93.658), Temporary Assistance for Needy Families (CFDA Number 93.558), and Block Grant for Prevention and Treatment of Substance Abuse (CFDA Number 93.959),**
- (j) Dollar threshold used to distinguish between Type A and Type B programs: **\$917,147**
- (k) Auditee qualified as low-risk auditee under section 530 of OMB Circular A-133: **yes**

(2) Finding Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Costs Relating to Federal Awards

03-1 Special Tests and Provisions

Program -- State Administrative Matching Grants for Food Stamp Program (CFDA Number 10.561)

Condition -- Six of thirty Electronic Benefit Transfer (EBT) cards were issued by the same individual who assisted the participant in setting up the personal identification number (pin) for the card.

Criteria -- The County is required to maintain adequate security over EBT cards to prevent improper use of the cards. As a result, the County has established a procedure where the same individual does not issue the card and set-up the pin for the card.

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Effect – Non-compliance with grant requirements could result in reduced funding for this program.

Questioned Cost – Undeterminable.

Recommendation – The County should emphasize the adherence to established procedures related to issuance document security.

03-2 Allowable Costs

Program – Community Development Block Grant – Entitlement Grants (CFDA Number 14.218)

Condition – Personnel costs for part-time employees charged to the Community Development Block Grant program are not based on certifications of time spent working on the program.

Criteria – Per OMB Circular A-87, Attachment B, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation. The personnel activity reports must reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, be prepared at least monthly and must coincide with one or more pay periods, and be signed by the employee.

Effect – Non-compliance with OMB Circular A-87 may result in reduced funding for this program.

Questioned Cost – Total part-time personnel costs charged to the grant approximated \$78,976; however we were unable to determine a questioned cost.

Recommendation – The County should require part-time employees to perform certifications of time charged to the program as required by OMB Circular A-87.

03-3 Special Tests and Provisions

Program – Community Development Block Grant – Entitlement Grants (CFDA Number 14.218)

Condition – The Request for Release of Funds (RROF) was completed, however not signed by the appropriate official certifying that environmental reviews had been conducted. Additionally, the RROF was not submitted to the U.S. Department of Housing and Urban Development (HUD).

Criteria - CDBG funds (and local funds to be repaid with CDBG funds) cannot be obligated or expended before receipt of HUD's approval of a RROF and environmental certification.

Effect – Non-compliance with HUD requirements may result in reduced funding for this program.

Questioned Cost – Unable to determine.

Recommendation – The County should emphasize procedures to ensure all forms are completed, approved, and submitted as required.